to improve capacity utilisation in the integrated steel plants. They are:—

(i) modernisation and technical upgradation of the plants;

(ii) improving techno-economic factors, i.e. reduction in coke rate, energy consumption; and

(iii) effective maintenance of plant and machinery.

Government has also taken several measures recently to make Indian steel competitive which is expected to result in better capacity utlisation, these include launching of a National Campaign to boost demand and consumption of steel, reduction in import duty on certain raw materials, levy of anti-dumping duty and fixing of floor prices on import of certain flat products, rationalisation of Duty Entitlement Pass Book (DEPB) rates to enhance steel exports etc.

Duty Drawback Racket

2220. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Directorate of Revenue Intelligence (DRI) has unearthed a duty drawback racket involving a fraud amounting to crores of rupees as per the PTI, Mumbai report appearing in the National dailies;

(b) if so, the details of the culprits involved therein and the modus operandi followed and the amount involved in the fraudulent drawback;

(c) the amount already disbursed frauduently; and

(d) the steps taken by Government to detect and check the recurrence of such cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANRTHANAN): (a) Yes, Sir. Directorate of Revenue Intelligence has unearthed a duty drawback racket involving a fraud amounting to crores of ruppes as per the PTI Mumbai report which appeared in the Indian Express dated 15.2.1999 (Mumbai Edition)

(b) Names of the firms involved in the said fraud are as under:

(1) M/s. Himgiri Overseas
(2) M/s. Saharanpur Handicrafts
(3) M/s. Stitch and Style
(4) M/s. Deepshika Overseas
(5) M/s. R & S Company

The modus operandi followed in the fraud was to export/attempt to export old and used clothes and clothes of very inferior a quality at high prices for availing excessive drawback. The amount of drawback fraudulently claimed in this fraud is approximately Rs. 7.41 crores.

(c) The amount of drawback already disbursed in this fraud is Rs. 3.87 crores. Concerned Commissioner of Customs has been instructed to stop disbursement of further drawback. It was found that an amount of Rs. 1.23 crores was lying in the credit of one of the firms involved in this fraud in the bank account through which drawback was disbursed. This amount has been frozen and the bank has been instrsucted not to allow further withdrawals from this account.

(d) the following steps have been taken to prevent recurrence of such frauds:

(i) Three Superintenaents and two Inspectors who were concerned with the examination of the goods involoved in the fraud have been suspended. The concerned supervisory officers have also been transferred.

(ii) The examination procedure has been tightened for consignments meant for sensitive destinations and cumputer software has been developed to allocate examining officers without human intervention.

(iii) All field formations of customs have been alerted to step up intelligence and maintain greater vigil at all levels to prevent recurrence of such frauds.

MICRO Credit Lendings in Rural Areas

2221. SHRI K. KALAVENKATA RAO: Will the Minister of FINANCE be pleased to state the measures taken to give impetus to banks for micro creditlending in rural areas for the benefit at the grass rool level?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): National Bank for agriculture and Rural Development (NABARD) had launched a programme in 1992-93, on the pilot basis, of bringing the rural poor within the fold of institutional finance through the intermediation of Self-Help Groups (SHGs) at the village level promoted and supported by Non-Government Organisatons (NGOs). NABARD has chalked out a strategey to promote micro finance for the next 10 years. The essentiall components of this strategy include, *inter-alia,* creation of a new Micro Credit Innovations Department at head office and cells at Regional offices, classifying the states as per current progress for intensification of efforts, finalisation of state spesific short term and medium term strategies, organising of crash training programmes for staff etc., developing one or two resource NGOs in different states to help induct new NGO partners, identifying potential districts in each state for intensive efforts, encouraging more regional rural banks to act as Self Help Promoting Institutions (SHPIs), dovetailing other similar programmes being undertaken in the states with the support of international/ national agenices, etc.

Customs Duty on Import of Alcoholic Beverage

2222. SHRIMATI JAYAPRADA NAHATA:
SHRI AMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any demand from the domestic distillery Industry not to reduce the custom duty on the import of alcoholic beverage from the current rate of 245 per cent; and

(b) if so, what is the Government's reaction in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): (a) and (b) Yes Sir. As part the Budget proposals for 1999-2000, customs duty on alcoholic beverages has been reduced from 245% to 230% *ad valorem*. Reduction in duty was necessary in pursuance of our commitment under the WTO.

Recovering Loans from farmers of Andhra Pradesh

2223. SHRI YERRA NARAYANA-SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether instructions have been issued not to recover the principal and interest on loans taken by farmers of Andhra Pradesh because of pest attack on the commercial crops besides cyclone and floods;

(b) is fo, the details thereof; and

(c) the action taken or proposed to be taken against banks in Andhra pradesh who are violating the RBI guidelines in this regard?